GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3286
ANSWERED ON:12.05.2006
RATIONALISATION OF IMPORT DUTY
Gangwar Shri Santosh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether Government has made free trade agreements with various countries;

(b) if so, whether the Government is taking any action/proposes to take any action to make the import duty more rationalized;

(c) if so, the details thereof; and

(d) if not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Yes, Sir.

(b) &(c): It is the stated policy of the Government to align the customs duties with that of our East Asian neighbours. In line with this, the Government has been reducting the peak rate of customs duty for non-agricultural products over the years. In this year`s budget, peak rate of customs duty was reduced form 15% to 12.5%. To further improve competitiveness of domestic industry, customs duty on major raw materials, such as alloy steel, ferro-alloys, primary and secondary non-ferrous metals, major bulk plastics and ores and concentrates was reduced to rates below the peak rate of 12.5%.

(d) Does not arise in view of (b) & (c) above.